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# Customer Location Methodology

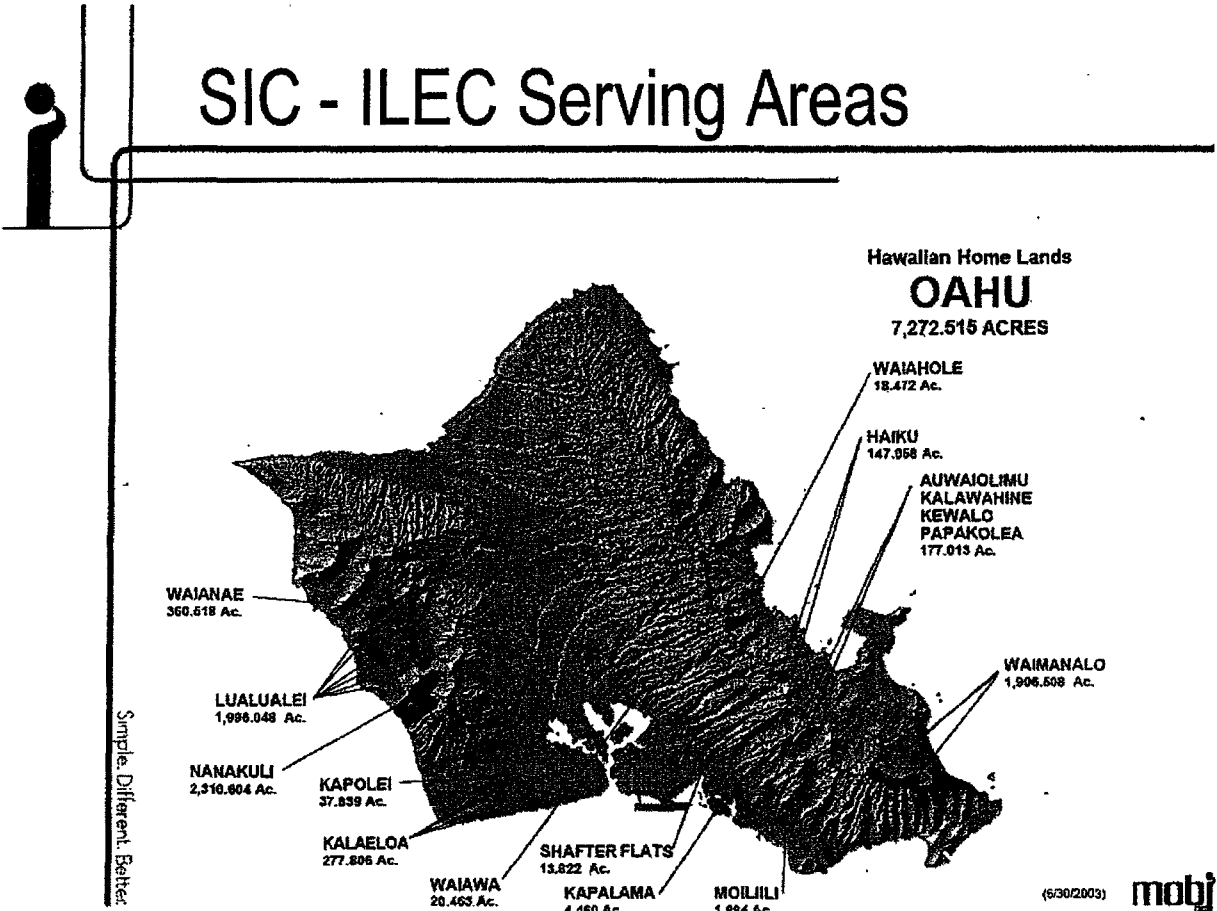


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## Specific Example




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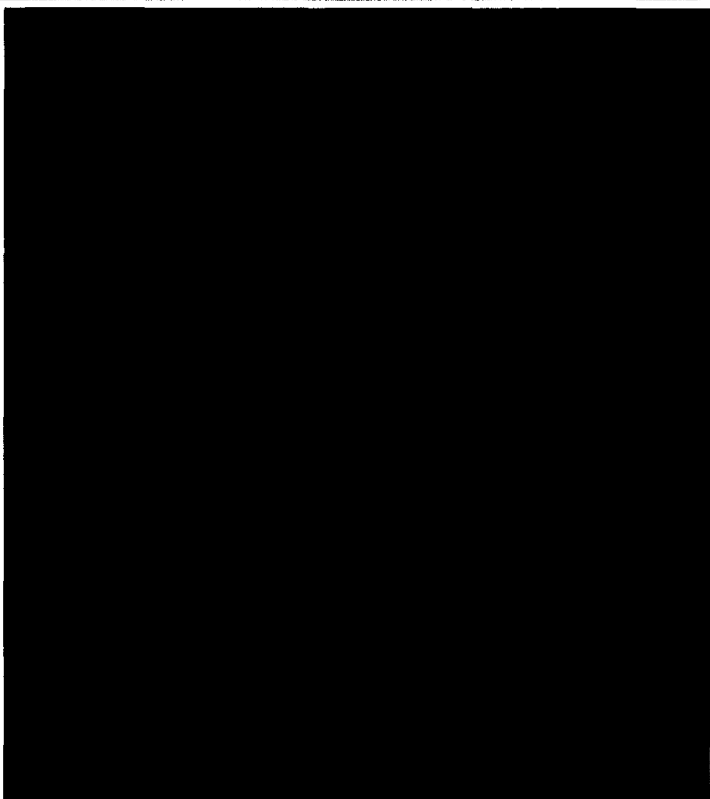
**mobi**

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## Specific Example



Simple. Different. Better.

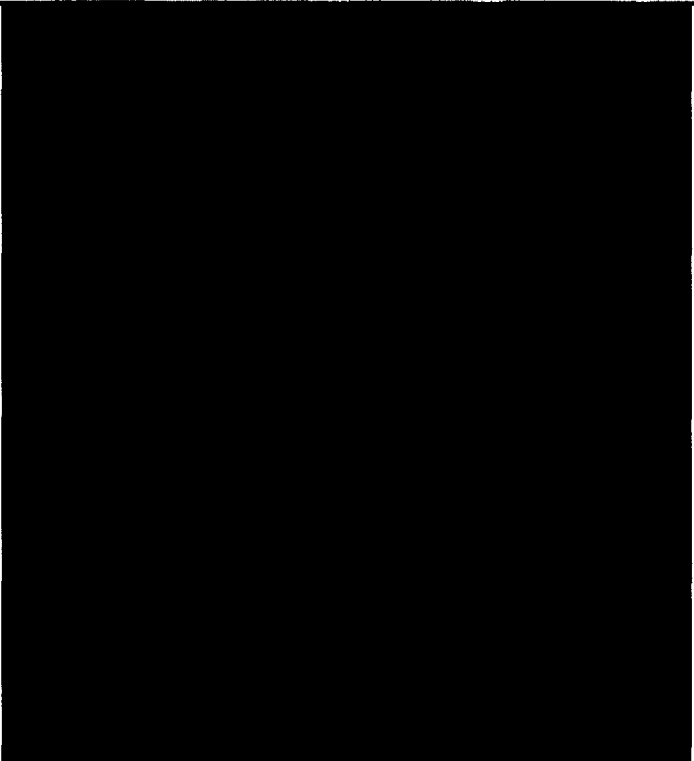
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**i**

## Specific Example



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## Specific Example

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## Customer Location Issue

- 47 CFR § 54.307 (b)
  - Competitive eligible telecommunications carriers providing mobile wireless service in an incumbent LEC's service area shall use the customer's billing address for purposes of identifying the service location of a mobile wireless customer in a service area.
- Large sections of Hawaii rely on a post office box addressing system
- Post office boxes do not provide an adequate point to geocode customer locations to correct ILEC serving territories

Simple. Different. Better.

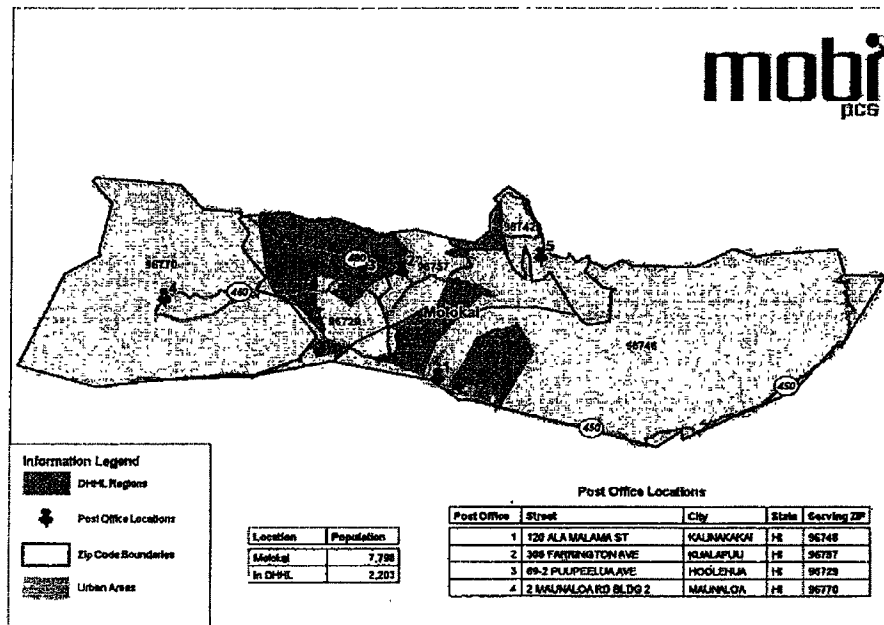
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# Specific Example

Molokai DHHL Regions and US Postal Codes



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pcg



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Mobi PCS Mail - USAC Audit

ATTACHMENT 6

Aug. 10, 2012 Letter - Att 7 (pt. 2)



Peter Gose <peter.gose@mobipcs.com>

---

## USAC Audit

1 message

---

DiMaria, Patricia (US - McLean) <pdimaria@deloitte.com>  
To: Peter Gose <peter.gose@mobipcs.com>  
Cc: "DiMaria, Patricia (US - McLean)" <pdimaria@deloitte.com>

Mon, Sep 14, 2009 at 2:20 PM

Peter-

Hope all is well.

I have attached the following documents to this e-mail:

Draft Audit report

Management Representation Letter

With respect to the audit report, 2 findings have been identified. Please prepare management's response to these findings and we will include in the report. Please forward your response to me.

With respect to the management representation letter, if you would please print the letter on Coral letterhead and ask Mr. Rinaldo to sign the letter. Please add Mr. Rinaldo's proper title to the end of the letter where his signature would go. Once signed, you may fax the letter to myself at 703-943-0082 or scan and email me the document. Please mail the original to the following address:

Deloitte & Touche, LLP  
1750 Tysons Blvd.

Suite 800

McLean, VA 22102

Attn: Patricia DiMaria, AERS Senior Manager, 9<sup>th</sup> floor

Thank you so much and please let me know if you have any questions.

Tricia

Patricia DiMaria

<https://mail.google.com/mail/?ui=2&ik...>

1/2

5/18/2011

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Mobi PCS Mail - USAC Audit

ATTACHMENT 6

Aug. 10, 2012 Letter - Att. 7 (pt. 2)

Federal AERS Senior Manager  
Deloitte & Touche, LLP

Tel: +1 703 251 3519  
Main: +1 703 251 1000  
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pdimaria@deloitte.com  
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USA

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**2 attachments**

-  Coral management representation letter.doc  
62K
  -  Coral draft audit report.doc  
64K
-

***Universal Service  
Administrative Company  
High Cost Support  
Mechanism***

*Independent Accountants' Report on Compliance  
Relating to High Cost Support Received by Coral  
Wireless LLC d/b/a Mobi PCS (HC-2008-126) for the  
Year Ended June 30, 2008*

Aug. 10, 2012 Letter - Att. 7 (pt. 2)

## INDEPENDENT ACCOUNTANTS' REPORT

Universal Service Administrative Company  
Federal Communications Commission

We have examined the compliance of management of Coral Wireless LLC d/b/a Mobi PCS ("Management"), and Coral Wireless LLC d/b/a Mobi PCS ("Beneficiary"), relative to Study Area Code No. 629002, with 47 C.F.R. Part 54, Subparts C and D of the Federal Communications Commission's ("FCC") Rules and related Orders governing Universal Service Support for the High Cost Program ("HCP") relative to disbursements of \$14,971,972 for telecommunication services made from the Universal Service Fund during the year ended June 30, 2008. Management of the Beneficiary is responsible for the Beneficiary's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the Beneficiary's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the Beneficiary's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Beneficiary's compliance with specified requirements.

[REDACTED] However, the support received for Local Switching Support ("LSS") and High Cost Loop ("HCL") was calculated based upon the previous quarter's line count reported of [REDACTED] resulting in a monetary impact on support of an underpayment of LSS and HCL in the amount of \$43,551 and \$492,810 respectively. [REDACTED]

[REDACTED] The line count was used in the calculation of the Beneficiary's Universal Service Support, which totaled \$14,971,972 for the year ended June 30, 2008.

[REDACTED]

[REDACTED]

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ATTACHMENT 7

Aug. 10, 2012 Letter - Att. 7 (pt. 2)

This report is intended solely for the information and use of the Universal Service Administrative Company and the Federal Communications Commission, and is not intended to be and should not be used by anyone other than these specified parties.

September 9, 2009

cc: Management of the Beneficiary

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**ATTACHMENT 7**

Aug. 10, 2012 Letter - Att. 7 (pt. 2)

**ATTACHMENT:**  
**FINDING**

Aug. 10, 2012 Letter - Att. 7 (pt. 2)

**Detailed Information Relative to Material Noncompliance (Finding)**

**Finding No.**

HC2008BE126\_F01

**Condition**

[REDACTED]

**Criteria**

Federal Communications Commission ("FCC") Rule §36.611(h) requires a rural telephone company to submit the number of working loops as of December 31<sup>st</sup> of the calendar year preceding each July 31<sup>st</sup> filing.

In addition, FCC Rule §36.612 requires rural telephone companies in service areas where an eligible telecommunications carrier has initiated service and has reported line count data pursuant to §54.307(c) must update the information submitted to NECA on July 31<sup>st</sup> pursuant to §36.611(h) according to the following schedule.

- (1) Submit data covering the last nine months of the previous calendar year and the first three months of the existing calendar year no later than September 30<sup>th</sup> of the existing year;
- (2) Submit data covering the last six months of the previous calendar year and the first six months of the existing calendar year no later than December 30<sup>th</sup> of the existing year;
- (3) Submit data covering the last three months of the second previous calendar year and the first nine months of the previous calendar year no later than March 30<sup>th</sup> of the existing year.

**Effect**

[REDACTED]

**Cause**

[REDACTED]

**Monetary Impact on Support**

The monetary impact on support is an underpayment of Local Switching Support and High Cost Loop in the amount of \$43,551 and \$492,810 respectively, [REDACTED]

**Recommendation**

[REDACTED]

**Management**

[Open for Management's Response]

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ATTACHMENT 7

Aug. 10, 2012 Letter - Att. 7 (pt. 2)

**Response**

**Comment No.** HC2008BE126\_C02

**Condition**

[REDACTED]

**Criteria**

FCC Rule §54.201(d) requires that a common carrier designated as an eligible telecommunications carrier under this section shall be eligible to receive universal service support in accordance with section 254 of the Communications Act of 1934 (as amended) (the "Act") and shall, throughout the service area for which the designation is received:

(1) Offer the services that are supported by federal universal service support mechanisms under subpart B of this part and section 254(c) of the Act, either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and

(2) Advertise the availability of such services and the charges therefore using media of general distribution.

**Effect**

[REDACTED]

**Cause**

[REDACTED]

**Monetary Impact on Support** The monetary impact is not quantified, as the finding relates to compliance with the FCC Rules.

**Recommendation**

[REDACTED]

**Management Response**

[Open for Management's Response]



Aug. 10, 2012 Letter - Att. 7 (pt. 2)

<sup>1</sup> Although we have included management's written responses to our finding, such response has not been subjected to the examination procedures applied in our examination and, accordingly, we do not express an opinion or provide any form of assurance on the appropriateness of the response or the effectiveness of any corrective action described therein.

#### **APPENDIX A –DEFINITIONS**

The definitions of a control deficiency and a significant deficiency are as follows:

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is material will not be prevented or detected by the entity's internal control.

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ATTACHMENT 8

Aug. 10, 2012 Letter - Att. 7 (pt. 2)


September 9, 2009

Deloitte & Touche LLP  
1750 Tysons Boulevard  
McLean, Virginia 22102

We are providing this letter in connection with your examination of the compliance of Coral Wireless LLC d/b/a Mobile PCS (the "Beneficiary") regarding the Beneficiary's compliance, relative to Study Area Code No. 629002, with 47 C.F.R. Part 54, Subparts C and D of the Federal Communications Commission's ("FCC") Rules and related Orders ("Rules and Orders") governing Universal Service Support for the High Cost Program relative to disbursements of \$14,971,972 for telecommunication services made from the Universal Service Fund during the year ended June 30, 2008. Accordingly, we confirm the following:

- a. Management is responsible for complying, relative to Study Area Code No. 629002, with the FCC Rules and Orders governing Universal Service Support for the High Cost Program ("HCP").
- b. The Beneficiary is responsible for establishing and maintaining effective internal control over compliance with the FCC Rules and Orders.
- c. Management has performed an evaluation of the Beneficiary's compliance, relative to Study Area Code No. 629002, with the FCC Rules and Orders for the year ended June 30, 2008, and the Beneficiary has complied with the FCC Rules and Orders for the year ended June 30, 2008, except as noted in Items #8 and #9 below.

We confirm to the best of our knowledge and belief, the following representations made to you during your engagement:

1. 
2. We have made available all records and documentation related to compliance with the FCC Rules and Orders.
3. We have disclosed all communications from regulatory agencies, internal auditors, and others concerning possible noncompliance with the FCC Rules and Orders, including communications received subsequent to June 30, 2008.
4. We have no knowledge of any fraud or suspected fraud affecting the Beneficiary involving (1) management, (2) employees who have significant roles in internal control over compliance, or (3) others where the fraud could have a material effect on compliance with the FCC Rules and Orders.
5. There were no allegations of fraud or suspected fraud affecting the Beneficiary received in communications from employees, former employees, analysts, regulators, short sellers, or others that could have a material effect on compliance with the FCC Rules and Orders.
6. No instances of noncompliance with the FCC Rules and Orders occurred subsequent to June 30, 2008 and through the date of this letter.

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ATTACHMENT 8

Aug. 10, 2012 Letter - Att. 7 (pt 2)

7. We used all of the \$14,971,972 in federal high cost support provided to the Beneficiary for the year ended June 30, 2008 solely for the provision, maintenance and upgrading of facilities and services for which support is intended.
8. [REDACTED] However, the support received for Local Switching Support ("LSS") and High Cost Loop ("HCL") was calculated based upon the previous quarter's line count reported of [REDACTED], resulting in a monetary impact on support of an underpayment of LSS and HCL in the amount of \$43,551 and \$492,810 respectively. [REDACTED]. The line count was used in the calculation of the Beneficiary's Universal Service Support, which totaled \$14,971,972 for the year ended June 30, 2008.
9. [REDACTED]

---

Barry Rinaldo

*On behalf of Coral Wireless LLC d/b/a Mobile PCS*

5/19/2011

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Mobi PCS Mail - RE: Document in HC-2...

ATTACHMENT 23



Aug. 10, 2012 Letter - Att. 7 (pt. 2)

Peter Gose <peter.gose@mobipcs.com>

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## RE: Document in HC-2008-BE-126\_Coral\_Opinion1 (2)

1 message

---

Smith, Krista McClintock (US - McLean) <kmcclintock@deloitte.com>

Thu, Mar 4, 2010 at 3:58 PM

To: Peter Gose <peter.gose@mobipcs.com>, "Daubert, Todd" <TDaubert@kelleydrye.com>

I do understand that.

---

From: Peter Gose [mailto:peter.gose@mobipcs.com]

Sent: Thursday, March 04, 2010 4:45 PM

To: Smith, Krista McClintock (US - McLean); Daubert, Todd

Subject: Re: Document in HC-2008-BE-126\_Coral\_Opinion1 (2)

Krista,

By the same token, Coral cannot provide a representation that states it has filed inaccurate reports when we believe we have comported with the law. Let's discuss this tomorrow during our call.

Peter Gose

Director - Regulatory Affairs



Pacific Guardian Center - Makai Tower

733 Bishop St. Suite 1200

Honolulu, HI 96813

Direct Line 808.723.2072

Direct Fax 808.723.2172

peter.gose@mobipcs.com

— @ WiseStamp Signature. Get it now

On Thu, Mar 4, 2010 at 3:17 PM, Smith, Krista McClintock (US - McLean) <kmcclintock@deloitte.com> wrote:

I can't accept the revised wording of the rep letter. If we can't come to an acceptable resolution on the finding and/or rep letter language, [REDACTED]

---

From: Peter Gose [mailto:peter.gose@mobipcs.com]

Sent: Thursday, March 04, 2010 4:12 PM

To: Smith, Krista McClintock (US - McLean); Daubert, Todd

5/19/2011

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Mobi PCS Mail - RE: Document in HC-2...

ATTACHMENT 23

Aug. 10, 2012 Letter - Att. 7 (pt. 2)

**Subject:** Re: Document in HC-2008-BE-126\_Coral\_Opinion1 (2)

Krista,

Yes, please propose a time for a teleconference tomorrow. I am only available until 1:00 p.m. eastern. As previously noted, we would request that Jarret Rea from WGA participate in that call. I will transmit the management rep letter to you during the call.

**Error! Filename not specified.**

— @ [WiseStamp Signature](#). [Get it now](#)

On Thu, Mar 4, 2010 at 3:02 PM, Smith, Krista McClintock (US - McLean) <[kmccclintock@deloitte.com](mailto:kmccclintock@deloitte.com)> wrote:

WGA does not believe there is a clear answer. The FCC will ultimately have to rule. We are proceeding with the [REDACTED]. USAC wants this filed tomorrow. I am happy to have a call with your legal counsel, but it won't change things at this point. What do you want to do?

---

**From:** Peter Gose [<mailto:peter.gose@mobipcs.com>]  
**Sent:** Thursday, March 04, 2010 2:40 PM

**To:** Smith, Krista McClintock (US - McLean)  
**Subject:** Re: Document in HC-2008-BE-126\_Coral\_Opinion1 (2)

Management has sign a rep letter, but in it has noted that it disagrees with the final point on the finding. Letter will be provided immediately after the requested teleconference has taken place.

Presuming WGA does not agree with Deloitte's position, how will you treat the audit report?

**Error! Filename not specified.**

— @ [WiseStamp Signature](#). [Get it now](#)

On Thu, Mar 4, 2010 at 1:33 PM, Smith, Krista McClintock (US - McLean) <[kmccclintock@deloitte.com](mailto:kmccclintock@deloitte.com)> wrote:

Peter –

We are in the process of having WGA (the QA firm for Coral) review your response. I will let you know the outcome as soon as I know something.

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5/19/2011

Mobi PCS Mail - RE: Document in HC-2...

ATTACHMENT 23

Assuming that WGA agrees, we will [REDACTED] If that is the case, what is management's position on signing the rep letter? (pt. 2)

Krista

---

**From:** Peter Gose [mailto:[peter.gose@mobipcs.com](mailto:peter.gose@mobipcs.com)]

**Sent:** Tuesday, March 02, 2010 3:25 PM

**To:** Smith, Krista McClintock (US - McLean)

**Subject:** Re: Document in HC-2008-BE-126\_Coral\_Opinion1 (2)

Krista,

Please see the draft response of Coral Wireless to the Deloitte audit report.

Coral strongly objects to the finding in the audit report and would request one last teleconference to discuss our response and position before we send our final response and management representation letter to you for inclusion along with the audit report. Our aim for the conference call is to describe one last time why we believe it would be appropriate for Deloitte to withdraw the single finding. Coral will have its outside counsel available on that call to answer any legal questions that Deloitte might have.

Please let me know when we can arrange the teleconference requested above. Thank you Krista.

**Error! Filename not specified.**

--- @ [WiseStamp Signature. Get it now](#)

On Mon, Mar 1, 2010 at 11:10 AM, Smith, Krista McClintock (US - McLean) <[kmccclintock@deloitte.com](mailto:kmccclintock@deloitte.com)> wrote:

Peter --

Attached is the revised opinion and comment letter.

Regards,  
Krista

Krista M. Smith

<https://mail.google.com/mail/?ui=2&ik...>

3/4

5/19/2011

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Mobi PCS Mail - RE: Document in HC-2...

ATTACHMENT 23

Assurance and Enterprise Risk Services  
Deloitte & Touche LLP

Aug. 10, 2012 Letter - Att. 7 (pt. 2)

Tel: +1 703 251 1340  
Fax: +1 703 332 7977  
Mobile: +1 973 978 8109  
[kmccclintock@deloitte.com](mailto:kmccclintock@deloitte.com)  
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Aug. 10, 2012 Letter - Att. 7 (pt. 2)

~~February-March 5-11, 2010~~

Deloitte & Touche LLP  
1750 Tysons Boulevard  
McLean, Virginia 22102

We are providing this letter in connection with your examination of the compliance of Coral Wireless LLC d/b/a Mobile PCS (the "Beneficiary") regarding the Beneficiary's compliance, relative to Study Area Code No. 629002, with 47 C.F.R. Part 54, Subparts C and D of the Federal Communications Commission's ("FCC") Rules and related Orders ("Rules and Orders") governing Universal Service Support for the High Cost Program relative to disbursements of \$14,971,972 for telecommunication services made from the Universal Service Fund during the year ended June 30, 2008. Accordingly, we confirm the following:

- a. Management is responsible for complying, relative to Study Area Code No. 629002, with the FCC Rules and Orders governing Universal Service Support for the High Cost Program ("HCP").
- b. The Beneficiary is responsible for establishing and maintaining effective internal control over compliance with the FCC Rules and Orders.
- c. Management has performed an evaluation of the Beneficiary's compliance, relative to Study Area Code No. 629002, with the FCC Rules and Orders for the year ended June 30, 2008, and the Beneficiary ~~has believes~~ that it has complied with the FCC Rules and Orders for the year ended June 30, 2008. [REDACTED]

We confirm to the best of our knowledge and belief, the following representations made to you during your engagement:

1. [REDACTED]
2. We have made available all records and documentation related to compliance with the FCC Rules and Orders.
3. We have disclosed all communications from regulatory agencies, internal auditors, and others concerning possible noncompliance with the FCC Rules and Orders, including communications received subsequent to June 30, 2008.
4. We have no knowledge of any fraud or suspected fraud affecting the Beneficiary involving (1) management, (2) employees who have significant roles in internal control over compliance, or (3) others where the fraud could have a material effect on compliance with the FCC Rules and Orders.
5. There were no allegations of fraud or suspected fraud affecting the Beneficiary received in communications from employees, former employees, analysts, regulators, short sellers, or others that could have a material effect on compliance with the FCC Rules and Orders.
6. No instances of noncompliance with the FCC Rules and Orders occurred subsequent to June 30, 2008 and through the date of this letter.



Aug. 10, 2012 Letter - Att. 7 (pt. 2)

7. We used all of the \$14,971,972 in federal high cost support provided to the Beneficiary for the year ended June 30, 2008 solely for the provision, maintenance and upgrading of facilities and services for which support is intended.

8. The Beneficiary-- interprets the term "Working Loop" to include any line from the moment the Beneficiary connects the line by assigning a particular telephone number to a specific customer until the Beneficiary disconnects the line and returns that telephone number to available inventory for assignment to a new customer. Coral determines the date upon which a customer's line will be disconnected pursuant to its disconnection policy.

[REDACTED]

[REDACTED]

[REDACTED] The line count was used in the calculation of the Beneficiary's Universal Service Support, which totaled \$14,971,972 for the year ended June 30, 2008.

---

Barry Rinaldo  
Chief Financial Officer  
On Behalf of Coral Wireless LLC